

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT

CT ID CODE PAGE OF PAGES

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2. AMENDMENT/MODIFICATION NO
0007

3. EFFECTIVE DATE

5-24-05

4. REQUISITION/PURCHASE REQ NO.

5. PROJECT NO (If applicable)

6. ISSUED BY

CODE

Chris Lowmiller

FAA, MIKE MONRONEY AERONAUTICAL CENTER

NAS CONTRACT MANAGEMENT DIVISION AMQ-240

P O BOX 25082

OKLAHOMA CITY OK 73125-4932

7. ADMINISTERED BY (If other than Item 6) CODE

8. NAME AND ADDRESS OF CONTRACTOR (No., street, county, State and ZIP Code)

METI INC

8600 BOEING DR

EL PASO TX 79925

(X)

9A. AMENDMENT OF SOLICITATION NO

9B. DATED (SEE ITEM 17)

X

10A. MODIFICATION OF
Contract DTFA02-02-D-2127

10B. DATED (SEE ITEM 13)

7-11-2002

CODE

FACILITY CODE

11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS

The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers [] is extended, [] is not extended.

Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods:

(a) By completing Items 8 and 15, and returning [] copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.

12. ACCOUNTING AND APPROPRIATION DATA (If required)

13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS,
IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.

A. THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.

B. THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.)

C. THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF:

D. OTHER (Specify type of modification and authority)

X BILATERAL MODIFICATION BY MUTUAL AGREEMENT OF THE PARTIES PURSUANT TO CLAUSE 3.2.4.-5, ALLOWABLE COST AND PAYMENT

E. IMPORTANT: Contractor [] is not, [XX] is required to sign this document and return [2] copies to the issuing office.

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15A. NAME AND TITLE OF SIGNER (Type or print)

Renard U. Johnson, President/CEO

16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print)

Chris Lowmiller

Contracting Officer

15B. CONTRACTOR/OFFEROR

(Signature of person authorized to sign)

15C. DATE SIGNED

5/12/05

16B. UNITED STATES OF AMERICA

BY:

(Signature of Contracting Officer)

16C. DATE SIGNED

5-24-05

I. This Modification No. 0007 is issued to establish the cost base and indirect rates for the Contractor's fiscal year 2003, covering the period January 1, 2003 through December 31, 2003. These rates will be utilized to pay voucher 53 on applicable delivery orders, covering the debt created by underpayment of indirect costs, in the amount of [REDACTED]. These rates are based upon information provided in METI's proposal of July 28, 2004, which is based on METI's financial statements and an audit conducted by an independent CPA commercial firm. The rates are overhead at [REDACTED] and G&A at [REDACTED]. The parties agree that the final indirect rates for METI's fiscal year 2003 shall be established based on Defense Contract Audit Agency (DCAA) audited cost data, when it becomes available. In the event DCAA audited cost data shows that the indirect rates are lower than the rates stated herein, the amount of [REDACTED] shall be recomputed using the DCAA audited rates and the appropriate credit will be made by the contractor to the Government. In the event DCAA audited cost data shows that the indirect rates are higher than the rates stated herein, the amount of [REDACTED] shall be recomputed using the DCAA audited rates and the contractor shall submit vouchers using the DCAA rates. Maximum Not-to-Exceed rates specified in the contract shall remain applicable.

II. This Modification No. 0007 regarding indirect rates is applicable only to the period stated in I. above and does not bind the parties in any way on future performance periods of the contract or any other contract.

III. Upon payment of the [REDACTED] by the Government, the parties mutually remise, release and discharge each other, their officers, agents, and employees, of and from all liabilities, obligations, claims, and demands whatsoever under or arising from performance of the contract performance period stated in I. above of the contract, except:

1. Specified claims in stated amounts or in estimated amounts where the amounts are not susceptible of exact statement by the Contractor or Government, as follows:
For the Government - None
For the Contractor -
2. Claims, together with reasonable expenses incidental thereto, based upon the liabilities of the Contractor or the Government to third parties arising out of performance during the period stated in I. above, which are not known to the Contractor or the Government on the effective date of the execution of this modification and of which the Contractor or the Government gives notice in writing to an agent of the Contractor or the Government's Contracting Officer as applicable within the period specified in the contract, and
3. Claims for reimbursement of costs (other than expenses of the Contractor by reason of its indemnification of the Government against patent liability), including reasonable expenses incidental thereto, incurred by the Contractor under any provisions of the contract relating to patents, and Claims for reimbursement of costs incurred by the Contractor or the Government under any provisions of the contract, except that the terms and conditions contained herein are acknowledged as the settlement for the establishment of final indirect cost rates as required by clause 3.2.4-5, and
4. Claims which may arise as the result of paragraph I. above.

The Contractor agrees, in connection with patent matters and claims which are not released as set forth above, that it will comply with all provisions of the said contract, including without limitation those provisions relating to notification to the Contracting Officer and relating to the defense or prosecution of litigation.

IV. There is no change in the estimated contract amount. All other terms and conditions of the contract remain unchanged.

[REDACTED], order 02F12386/12127-0001

[REDACTED], order 02F13035/12127-0002

[REDACTED], order 02F13049/12127-0003

[REDACTED], order 02T13100/12127-0004

[REDACTED], order 02F13178/12127-0005

[REDACTED], order 02T13208/12127-0006

[REDACTED], order 02T13245/12127-0007